

January 26, 2009

American Recovery and Reinvestment Act: Clean, Efficient, American Energy

To put people back to work today and reduce our dependence on foreign oil tomorrow, we are seeking to double our renewable energy production and renovate public buildings to make them more energy efficient. The energy package will create more than 500,000 jobs, and accelerate deployment of smart grid technology, provide energy efficiency funds for the nation's schools, offer support for the nation's governors and mayors to tackle their energy challenges, and establish a new loan guarantee program to keep our transition to renewable energy on track during the economic crisis.

"The recovery package released by Congressional leaders today is big, bold, and with immediate implementation will serve as a down payment on long-neglected investment in a clean energy, good jobs, made-in-America economy," said Apollo Alliance Chairman Phil Angelides. [1/15/09]

The House bill represents "a major down payment on two important priorities for our nation – creating new jobs for our ailing economy and reducing greenhouse gas emissions. the economic recovery bill will allow our nation to invest in building the green economy of the future, reduce carbon emissions, and help consumers and businesses lower their energy costs," said Alliance to Save Energy President Kateri Callahan. [1/16/09]

Smart Grid /Advanced Battery Technology/Energy Efficiency (\$32 billion)

- Transforms the nation's electricity systems through the Smart Grid Investment Program to modernize the electricity grid to make it more efficient and reliable. This will jumpstart smart grid demonstration projects in geographically diverse areas, increase federal matching grants for smart grid technology (20% to 50%) including "Smart Meters" that give consumer more choice in their energy consumption at home, and spur research and development. Build new power lines that can transmit clean, renewable energy from sources throughout the nation.
- Creates temporary loan guarantees for up to \$80 billion for renewable energy power generation and electric transmission projects that begin in the next two years. These would help ease credit constraints for renewable energy investors and spur new private sector investment over the next three years.
- Supports U.S. development of advanced vehicle batteries and battery systems through loans and grants so that America can lead the world in transforming the way automobiles are powered. Also includes other initiatives to promote the use of alternative fuel vehicles by federal state and local governments.
- Helps state and local governments make investments for innovative best practices to achieve greater energy efficiency and reduce energy usage, including building and home energy conservation programs, energy audits, fuel conservation programs, building retrofits, and "Smart Growth" planning and zoning. Also encourages states to adopt updated energy-efficient building codes and regulatory policies to encourage utility-sponsored gains in energy efficiency.
- Spurs energy efficiency and renewable energy research, development, demonstration, and deployment activities at universities, companies, and national laboratories to foster energy independence, reduce carbon emissions, and cut utility bills.
- Provides consumer rebates to buy energy efficient appliances to replace old ones to lower energy bills.
- Makes key investments in carbon capture and sequestration technology demonstration projects to work toward making coal part of the solution and reducing the amount of carbon dioxide emitted from industrial facilities and fossil fuel power plants.

Tax Incentives to Spur Energy Savings and Green Jobs (\$20 billion over 10 years)

- Three-year extension of the production tax credit (PTC) for electricity derived from wind (through 2012) and for electricity derived from biomass, geothermal, hydropower, landfill gas, waste-to-energy and marine facilities (through 2013). Also permits businesses that place new renewable energy facilities in service during 2009 and 2010 to claim either a 30 percent investment tax credit (ITC) instead of the production tax credit, or apply for a grant of up to 30 percent of the cost of building a new renewable energy facility from the Energy Department. These provisions will help speed up investment in new facilities and will address current renewable energy credit market concerns.
- Promotes energy-efficient investments in homes by extending and expanding tax credits through 2010 for purchases such as new furnaces, energy-efficient windows and doors, or insulation. Increases the credit from 10 percent to 30 percent of the cost of the investment and raises the credit cap from \$500 to \$1,500, helping American families save money on their energy bills.
- Includes clean renewable energy bonds for State and local governments, electric cooperatives and public power to finance facilities that generate electricity from renewable resources and qualified energy conservation bonds for State and local governments to make a variety of energy conservation investments.
- Establishes an enhanced R&D tax credit for research expenditures in the fields of fuel cells, battery technology, renewable energy, energy conservation technology, efficient transmission and distribution of electricity, and carbon capture and sequestration, in 2009 and 2010.
- Increases incentives to install pumps that dispense alternative fuels including E85, biodiesel, hydrogen, and natural gas.

Repair Public Housing and Make Key Energy Efficiency Retrofits to HUD-Assisted Housing (\$7.5 Billion)

- Establishes a new program to upgrade HUD sponsored low-income housing (elderly, disable and Section 8) to increase energy efficiency, including new insulation, windows, and furnaces.
- Invests in energy efficiency upgrades in public housing, including new windows, furnaces, and insulation to improve living conditions for residents and lower the cost of operating these facilities.

Landmark Energy Savings at Home (\$6.2 billion)

- Landmark provisions to improve the energy efficiency for more than 1 million modest-income homes through weatherization, expanding the number of families (from 150% to 200% of the federal poverty income levels) and the aid level (from \$2,500 to \$5,000 per household) to keep up with the rising prices of these upgrades;
- This will save modest-income families on average \$350 per year on their heating and air conditioning bills.

Green Job Training and Energy Efficient Schools

- Provides \$500 million to train workers for green-collar jobs.
- Creates new modernization, renovation, and repair programs for schools and colleges, with a minimum of 25 percent of the funds focused on green building projects.
- Energy sustainability and efficiency grants and loans to help school districts, colleges, local governments, and some hospitals become more energy efficient.

Modernizing Federal and Public Infrastructure to Lower Energy Costs

- Makes an historic investment in upgrading federal buildings and making them energy efficient -- as part of an effort to modernize more than 75% of federal building space and save taxpayers \$2 billion per year in lower federal energy bills.
- The federal government is the world's largest consumer of energy.
- This will help spur jobs in the green building industry as well as save taxpayer money.